

# FISCAL NOTE

## SB 2000 - HB 1999

April 18, 2005

**SUMMARY OF BILL:** Enacts the *Virtual Public Schools Act*. The bill authorizes the Department of Education to establish a virtual school. An LEA or charter school governing body may sponsor a virtual school. *Virtual School* is defined as an independent public school in which the school uses technology in order to deliver a significant portion of instruction to its students via the Internet in a virtual or remote setting. A virtual school shall be a public school and shall be provided equitable treatment and resources as any other public school in the state. Any student who is eligible for enrollment in a public school in this state could enroll in a virtual school.

A virtual school would be prohibited from providing an allotment for the purchase of instructional programs or materials to a student or to a student's parent. However, a virtual school would not be prohibited from reimbursing a student or student's parent for costs associated with an Internet connection for use in the virtual school program.

### ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – Exceeds \$100,000**

**Increase Local Government Expenditures – Exceeds \$100,000 \***

#### Assumptions:

- The following issues could affect the cost of virtual schools: the number of virtual schools established; the number of students enrolled in the programs; the number of teachers needed to maintain an appropriate student-teacher ratio; the existing technology resources available for LEAs; the number and types of courses to be offered via virtual schools; and professionals' status of technological proficiency.
- If LEAs are expected to provide Internet access, computer, printer, and all instructional materials to parents, then the cost per child would depend upon course specifications. This could differ greatly system to system depending on the number of students attending the virtual school.
- The minimum annual expenses for set-up (\$50,000), maintenance (\$6,000), professional training (\$2,500/teacher) and teacher salary + benefits (\$48,655/teacher on average) = \$107,155. This total only estimates the expense of set-up, maintenance for one virtual school and the teacher salary, benefits, and professional training expenses account for only one teacher. These costs are patterned after costs of the Kentucky Virtual High School.

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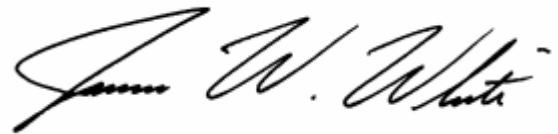
- This estimate does not include expenses for instructional materials since these could be dependent upon the number of students enrolled, the grade level and type of courses administered, the number of virtual schools established, and the existing resources of an LEA.
- Therefore, depending upon the number of virtual schools established, both state and local government expenditures could be expected to exceed \$100,000 statewide.
- In addition, virtual schools would have an administrative office within the state.

For information purposes: The Kentucky Department of Education established the Kentucky Virtual High School (KVHS) in 2000 to offer public high school students more flexibility and course offerings. The virtual school provides opportunities for advanced placement coursework, college preparatory coursework, and credit recovery. (See [Http://www.kvhs.org](http://www.kvhs.org))

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director